

City of Rockville

**Refuse and Recycling
Program**

July 2, 2007



Agenda

- **Introduction**
- **Operating Budget**
- **Capital Purchases**
- **Cash Flows/Rates**
- **Implementation Plan**



Introduction

At the March 12, 2007 work session, the Mayor and Council provided the following direction.

– Provide budget, rate information, and implementation plan for the following system:

- Refuse, curbside/alleyway, semi-automated, twice-per-week, four cart sizes
- Single stream recycling, curbside/alleyway, semi-automated, once-per-week, four cart sizes
- Retain current hazardous waste collection of call-on-demand
- Yardwaste, curbside/alleyway, once-per-week, use of knuckleboom trucks
- Combine bulk and whitegoods (metal/appliances) using a call-on-demand/by appointment method. Households would be provided a limit of six call-in per year; Director of Public Works authorized to make exceptions to this limit
- Single rate, regardless of volume
- Allow up to two refuse and up to two recycling carts
- Town homes – exceptions to keeping the current manual system on a case-by-case basis
- Trash holidays – keep current system



Implementation

- Budget and cash flows assume a 4th Quarter FY08 collection start date
- Implementation would begin nine-months after a decision is made



FY08-12 Refuse Fund Budget Comparison

Manual System to the Semi Automated, Both Twice Per Week

Refuse Fund Revenues	FY08		FY09		FY10		FY11		FY12	
	Manual	Semi Auto	Manual	Semi Auto	Manual	Semi Auto	Manual	Semi Auto	Manual	Semi Auto
Customer Charges	\$ 5,369,000	\$ 5,369,000	\$ 5,684,197	\$ 5,759,209	\$ 5,932,300	\$ 6,090,828	\$ 6,189,277	\$ 6,439,855	\$ 6,455,155	\$ 6,806,342
Penalties	\$ 41,000	\$ 41,000	\$ 41,000	\$ 41,000	\$ 41,000	\$ 41,000	\$ 41,000	\$ 41,000	\$ 41,000	\$ 41,000
Interest Income	\$ 5,000	\$ 5,000	\$ -	\$ 44,126	\$ -	\$ 19,087	\$ 11,055	\$ 13,570	\$ 23,794	\$ 18,083
Auctioned Vehicles	\$ -	\$ -	\$ -	\$ 15,273	\$ -	\$ 15,654	\$ -	\$ 16,046	\$ -	\$ 16,447
Recycling Revenue	\$ -	\$ 2,000	\$ 17,425	\$ 55,543	\$ 17,948	\$ 56,833	\$ 18,486	\$ 57,400	\$ 19,040	\$ 57,984
Transfer General Fund	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Approp. Net Assets	\$ 186,061	\$ 231,414	\$ 102,463	\$ 212,431	\$ 22,997	\$ (28,036)	\$ (40,456)	\$ (209,040)	\$ (116,518)	\$ (387,386)
Total	\$ 5,661,061	\$ 5,708,414	\$ 5,905,085	\$ 6,187,582	\$ 6,074,245	\$ 6,255,366	\$ 6,279,362	\$ 6,418,831	\$ 6,482,471	\$ 6,612,470
Refuse Fund Expenses	FY08		FY09		FY10		FY11		FY12	
	Manual	Semi Auto	Manual	Semi Auto	Manual	Semi Auto	Manual	Semi Auto	Manual	Semi Auto
Salaries	\$ 2,064,600	\$ 2,064,600	\$ 2,126,538	\$ 2,301,572	\$ 2,190,334	\$ 2,303,180	\$ 2,256,044	\$ 2,338,571	\$ 2,323,725	\$ 2,408,728
Benefits	\$ 722,900	\$ 722,900	\$ 744,587	\$ 744,587	\$ 766,925	\$ 766,925	\$ 789,932	\$ 789,932	\$ 813,630	\$ 813,630
Overtime	\$ 112,238	\$ 112,238	\$ 115,669	\$ 127,669	\$ 119,139	\$ 131,499	\$ 122,713	\$ 135,444	\$ 126,395	\$ 139,507
Personnel Subtotal	\$ 2,899,738	\$ 2,899,738	\$ 2,986,794	\$ 3,173,828	\$ 3,076,398	\$ 3,201,604	\$ 3,168,689	\$ 3,263,947	\$ 3,263,750	\$ 3,361,865
Contractual Services	\$ 1,527,389	\$ 1,539,921	\$ 1,642,163	\$ 1,545,930	\$ 1,693,109	\$ 1,528,128	\$ 1,772,556	\$ 1,602,625	\$ 1,845,307	\$ 1,670,278
Commodities	\$ 336,834	\$ 364,049	\$ 351,952	\$ 411,774	\$ 360,711	\$ 428,208	\$ 369,732	\$ 445,329	\$ 379,024	\$ 463,165
Operating Subtotal	\$ 1,864,223	\$ 1,903,970	\$ 1,994,115	\$ 1,957,704	\$ 2,053,820	\$ 1,956,336	\$ 2,142,288	\$ 2,047,954	\$ 2,224,331	\$ 2,133,443
Administrative Charge	\$ 441,800	\$ 441,800	\$ 455,054	\$ 455,054	\$ 468,706	\$ 468,706	\$ 482,767	\$ 482,767	\$ 497,250	\$ 497,250
Other / Transfers	\$ 441,500	\$ 441,500	\$ 441,500	\$ 441,500	\$ 441,500	\$ 441,500	\$ 441,500	\$ 441,500	\$ 441,500	\$ 441,500
Debt Service	\$ 13,800	\$ 21,406	\$ 27,622	\$ 159,496	\$ 33,821	\$ 187,220	\$ 44,118	\$ 182,663	\$ 55,640	\$ 178,412
Total	\$ 5,661,061	\$ 5,708,414	\$ 5,905,085	\$ 6,187,582	\$ 6,074,245	\$ 6,255,366	\$ 6,279,362	\$ 6,418,831	\$ 6,482,471	\$ 6,612,470
Refuse Fund By Department	FY08		FY09		FY10		FY11		FY12	
	Manual	Semi Auto	Manual	Semi Auto	Manual	Semi Auto	Manual	Semi Auto	Manual	Semi Auto
Mayor and Council	\$ 10,000	\$ 10,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Public Works	\$ 4,621,661	\$ 4,661,408	\$ 4,843,440	\$ 4,974,063	\$ 4,990,515	\$ 4,998,237	\$ 5,168,973	\$ 5,149,897	\$ 5,343,707	\$ 5,330,933
Non-Departmental	\$ 1,029,400	\$ 1,037,006	\$ 1,058,645	\$ 1,210,519	\$ 1,080,730	\$ 1,254,129	\$ 1,107,389	\$ 1,265,934	\$ 1,135,764	\$ 1,278,537
Total	\$ 5,661,061	\$ 5,708,414	\$ 5,905,085	\$ 6,187,582	\$ 6,074,245	\$ 6,255,366	\$ 6,279,362	\$ 6,418,831	\$ 6,482,471	\$ 6,612,470



Operating Budget

The FY08 operating budget for the semi automated, twice per week system would be \$47,353 higher than the current manual system in the adopted FY08 budget:

- Contracted transportation for recyclables \$6,000
- Education and outreach materials \$4,532
- Truck rental for cart delivery \$2,000
- Lifters \$21,000
- Vehicle prep costs \$6,215
- Debt service \$7,606



Staffing

	Current, Manual	Semi Automated, Twice Per Week		
	FY08-FY10	FY08	FY09	FY10
Refuse	17.5	16.0	16.0	16.0
Recycling	8.0	8.0	8.0	8.0
Bulk/HAZMAT	0.5	2.0	2.0	2.0
Yardwaste	2.0	2.0	2.0	2.0
Swing/spare	9.0	9.0	9.0	9.0
<i>Total regular FTEs</i>	<i>37.0</i>	<i>37.0</i>	<i>37.0</i>	<i>37.0</i>
Temp employees	2.7	6.0	5.0	4.0
Contracted labor	8.0	2.0	2.0	2.0
Total personnel	47.7	45.0	44.0	43.0



Capital Purchases

Vehicles – Semi Automated, Twice Per Week System

- FY08 purchases would be \$1,352,064 for:
 - five rear packers (three to replace recyclers to perform single stream recycling and two that are on the normal replacement schedule)
 - two knuckleboom trucks for bulk and yardwaste
 - one pickup truck on the current replacement schedule
 - one trailer to deliver carts; and two automated leaf collection attachments
- FY09 purchases would be \$660,250 for:
 - two automated leaf collection attachments
 - one knuckleboom truck
 - two rear packers on the current replacement schedule
 - 14 sets of lifters to retrofit remaining fleet



Capital Purchases

Off-Load Facility – Semi Automated, Twice Per Week System

- FY08 purchase would be \$475,000 for:
 - design and construction of the single stream off-load facility

Carts – Semi Automated, Twice Per Week System

- FY08 purchase would be \$666,541 for:
 - first half of carts to be distributed to the initial phases of implementation (Phases I and II)
- FY09 purchase would be \$666,541 for:
 - the carts to be distributed in the remaining phases of implementation (Phases III through V)



Capital Purchases

This chart provides a summary of the capital purchases that would be needed for the semi automated, twice per week system.

Expenditure	FY08 Costs	FY09 Costs
Off-Load Facility	\$475,000	\$0
Carts	\$666,541	\$666,541
Sub-total Facility/Carts	\$1,141,541	\$666,541
Vehicles	\$1,352,064	\$660,250
Totals	\$2,493,605	\$1,326,791



Vehicles

Refuse Vehicles	Current, Manual System	Full Impl. (FY10) Semi Automated, Twice Per Week
Dual stream recyclers	6	0
Rear packers	16	19
Knucklebooms	0	3
Leaf collection attachments	11	13
Trailer	0	1
Whitegoods/metal	1	1
Pickups/sedans	5	5
Total	39	42



Cash Flows

- Current Refuse Fund policies state that a 5-year cash flow must be prepared each fiscal year.
- Two cash flows have been prepared, both provide for a modest 30-day reserve:
 - 5-year cash flow for the semi automated, twice per week system based on the straw vote from March 12, 2007
 - 5-year cash flow for the current, manual system



Semi Automated, Twice Per Week Cash Flow

Cash Flows From Operating Activities:	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Cash received from customers	\$5,472,000	\$5,931,024	\$6,264,315	\$6,614,301	\$6,981,773
Cash payments to suppliers for goods and services	(\$1,001,593)	(\$982,374)	(\$946,265)	(\$969,245)	(\$994,047)
Dump fees	(\$1,019,777)	(\$1,092,691)	(\$1,131,137)	(\$1,186,275)	(\$1,244,285)
Cash payments to employees for services	(\$2,899,738)	(\$3,173,828)	(\$3,201,604)	(\$3,263,947)	(\$3,361,865)
Administrative costs	(\$441,800)	(\$455,054)	(\$468,706)	(\$482,767)	(\$497,250)
Net Cash Provided (Used) by Operating Activities	\$109,092	\$227,077	\$516,603	\$712,067	\$884,327
Cash Flows From Capital and Related Financing Activities:					
New debt issue-capital assets	\$3,399,332	\$1,004,891	\$318,500	\$370,000	\$321,800
Principal and interest paid on old G.O. bonds	(\$200,105)	(\$38,320)	(\$36,400)	(\$35,300)	(\$34,200)
Principal and interest paid on new G.O. bonds	(\$45,764)	(\$467,403)	(\$592,046)	(\$631,551)	(\$677,445)
Acquisition of capital assets	\$2,427,541	\$1,326,791	\$348,350	\$328,500	\$380,000
Net Cash Used by Capital and Related Financing Activities	(\$725,922)	\$827,623	\$658,296	\$625,351	\$769,845
Cash Flows From Investing Activities	\$5,000	\$44,126	\$19,087	\$13,570	\$18,083
Net Increase (Decrease) in Cash	\$840,014	(\$556,420)	(\$122,605)	\$100,286	\$132,565
Cash-Beginning	\$140,571	\$980,585	\$424,165	\$301,560	\$401,846
Cash-Ending	\$980,585	\$424,165	\$301,560	\$401,846	\$534,411



Current, Manual System Cash Flow

Cash Flows From Operating Activities:	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Cash received from customers	\$5,470,000	\$5,802,197	\$6,050,810	\$6,308,312	\$6,574,732
Cash payments to suppliers for goods and services	(\$961,846)	(\$990,701)	(\$1,020,422)	(\$1,051,035)	(\$1,082,566)
Dump fees	(\$1,019,777)	(\$1,092,691)	(\$1,131,137)	(\$1,186,275)	(\$1,244,285)
Cash payments to employees for services	(\$2,899,738)	(\$2,986,730)	(\$3,076,332)	(\$3,168,622)	(\$3,263,681)
Administrative costs	(\$441,800)	(\$455,054)	(\$468,706)	(\$482,767)	(\$497,250)
Net Cash Provided (Used) by Operating Activities	\$146,839	\$277,020	\$354,213	\$419,613	\$486,950
Cash Flows From Capital and Related Financing Activities:					
New debt issue-capital assets	\$395,011	\$217,564	\$337,776	\$399,110	\$181,804
Principal and interest paid on old G.O. bonds	(\$200,105)	(\$38,320)	(\$36,400)	(\$35,300)	(\$34,200)
Principal and interest paid on new G.O. bonds	(\$45,764)	(\$94,760)	(\$121,745)	(\$163,642)	(\$213,146)
Acquisition of capital assets	\$654,198	\$209,444	\$227,564	\$347,776	\$409,110
Net Cash Used by Capital and Related Financing Activities	(\$505,056)	(\$124,960)	(\$47,933)	(\$147,608)	(\$474,652)
Cash Flows From Investing Activities	\$5,000	\$0	\$0	\$11,056	\$23,794
Net Increase (Decrease) in Cash	(\$353,217)	\$152,060	\$306,280	\$283,061	\$36,092
Cash-Beginning	\$140,571	(\$212,646)	(\$60,586)	\$245,694	\$528,755
Cash-Ending	(\$212,646)	(\$60,586)	\$245,694	\$528,755	\$564,847



Refuse Charge Comparison

Semi Automated Twice Per Week	FY08	FY09	FY10	FY11	FY12
Rate/month	\$ 32.70	\$ 34.55	\$ 36.50	\$ 38.55	\$ 40.70
\$ Increase	\$ 1.70	\$ 1.85	\$ 1.95	\$ 2.05	\$ 2.15
% Increase	5.48%	5.66%	5.64%	5.62%	5.58%
Current Manual	FY08	FY09	FY10	FY11	FY12
Rate/month	\$ 32.70	\$ 34.10	\$ 35.55	\$ 37.05	\$ 38.60
\$ Increase	\$ 1.70	\$ 1.40	\$ 1.45	\$ 1.50	\$ 1.55
% Increase	5.48%	4.28%	4.25%	4.22%	4.18%



Implementation Plan

The following steps would be necessary to implement a semi automated, twice per week collection system.

- Design and construct recycling off-load facility
- Purchase vehicles, carts, and lifters
- Negotiate contracts for single stream facility and hauling
- Union coordination
- Work with neighborhoods (identify exception homes)
- Route planning
- Training on new equipment
- Refuse charge resolution and City Code changes
- Cart assembly and distribution



Education and Outreach

- Conduct education and outreach similar to that of the pilot
- Community meetings would be held, including information, hands-on demonstrations, education, and opportunities to have questions answered
- Staff will assist with determining cart sizes
- New guide would be prepared and distributed
- Distribute information packages (including comment cards) with cart delivery
- Use resident feedback to make adjustments to each phase



Collection System Implementation Plan

- Citywide implementation would be in five phases
- Each phase would run an estimated 3-months to allow for education and outreach, cart delivery, and follow-up
- Implementation would take approximately 15 months to complete, starting nine-months after a decision is made
- If a decision is made July 2007, Phase I collection would occur 4th Quarter FY08
- Subsequent phases would occur in FY09 or early FY10



Pilot Implementation

- Transition to single stream recycling and twice per week refuse collection with 30-day notice
- Fully implement changes during Phase I of citywide implementation



Next Steps

If so directed by the Mayor and Council, staff would prepare a budget amendment and begin implementation as described in this presentation and the staff report.



City of Rockville

**Refuse and Recycling
Program Backup Slides**

July 2, 2007



Refuse Rates

Monthly Rate for Each System	FY08	FY09	FY10	FY11	FY12
Semi-Automated, Twice Per Week	\$ 32.70	\$ 34.55	\$ 36.50	\$ 38.55	\$ 40.70
Current, Manual Twice Per Week	\$ 32.70	\$ 34.10	\$ 35.55	\$ 37.05	\$ 38.60
Semi-Automated, Once Per Week	\$ 32.70	\$ 32.70	\$ 32.70	\$ 32.70	\$ 32.75



Refuse Charge Comparison FY01-12

